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SOVIET UNION - EASTERN EUROPE

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Soviets Plan for Geneva--Hope for Decision by Mid-April

The Soviet Union reportedly is sending a 30-man contingent of Middle East experts to Geneva in early April in expectation of a resumption of the Middle East Peace Conference. Soviet embassies in the Middle East have been instructed to begin forwarding their reports directly to Geneva on April 1.

Moscow nevertheless still seems to have some doubts about when, and if, the Geneva talks will be resumed. Y. D. Pyrlin, deputy chief of the Foreign Ministry's Middle East division, told the US ambassador on March 26 that the Arab positions have not yet been clarified and that Moscow did not expect to know where things stood before mid-April.

Palestinian representation at Geneva is one problem facing the Soviets. Pyrlin again expressed Moscow's long-standing exasperation over the disunity in PLO ranks, claiming that the Soviets, who now publicly recognize Arafat's leadership, are not even able to confer with the Palestinian without members of his entourage present. Pyrlin gave no sign that Moscow is searching for some way to get around the Palestinian representation problem, but he did say that an effort is being made to schedule a visit to Moscow by Arafat in April. This would provide an opportunity to discuss the issue.

On Soviet-Egyptian relations, Pyrlin confirmed that economic talks have been suspended. The Egyptian ambassador was scheduled to return to Moscow on March 27, however, and the Soviets expect talks to resume by late April or early May. The main issues remaining are the Egyptian debt settlement and

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the integration of Soviet-Egyptian joint projects into McGoow's new five year plan. Pyrlin said that Brezhnev would probably not go to the Middle East before autumn. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Phone: 143-7285

Soviet Leaders and Trade with the West

In recent weeks the Soviets have been trying to add punch to their statements of concern that the West Germans may be backsliding in their economic relations with the Soviet Union. The Soviet ambassador to Bonn used one tactic when he warned the West Germans not to overestimate the extent to which the Soviets need economic ties to the FRG. Another tactic has been to spread the line that Brezhnev's political position will be threatened if economic agreements are not forthcoming.

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A dramatic account has come to light through who claims that Brezhnev's advocacy of long-term economic cooperative agreements with the West is opposed by a group around Kosygin which maintains this would be a sell-out of Soviet resources.

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has told the West
Germans that without the prospect of long-term arrangements with West German industry, Soviet economic planners will be thrown into confusion. He
warned that if progress is not soon apparent, political changes at the top of the Soviet party
could be anticipated.

previous opposition to detente has been reinforced
by those who are looking for promotion after the
Party Congress in 1976 and who are pegging their
chances on proving that Brezhnev's policies have
failed or have been harmful to the USSR.

In elaboration, Soviet 25X1X economic experts have asserted that they can give the leadership a fifteen year plan only if cooperation with Western countries is ensured. Development of Siberian resources on a grand scale, for example, would be possible only with such a guarantee. The Soviet experts, however, reportedly doubt

that cooperation over a long period is feasible and believe it is preferable to plan on the basis of self-sufficiency.

This overdrawn version of Soviet politics incorporates some elements of truth. Most interesting are comments he recently found
that his friends in Moscow, whom he had considered
Brezhnev supporters, were finding small faults with
Brezhnev. Journalists, he said, were betting on
who will gain various positions after the Party Congress. His report adds to others indicating that a
malaise among Soviet officialdom set in early this
year, apparently fed by policy setbacks and Brezhnev's
prolonged illness.

Certainly, dramatic setbacks to the economic side of detente, such as the collapse of the US-Soviet trade agreement, tarnish Brezhnev and his policies. It has always been assumed that domestic opposition to a major expansion of economic relations with the West and to substantial exports of Soviet resources did exist. Skeptics would logically include economic planners, whose task is complicated by uncontrollable international factors. And the potential for politicking over such policies increases as the Party Congress comes into view.

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The portrayal , however, is overly dramatized, too particular, and
laced with incorrect or unsupported allegations.
Kosygin cannot be considered an opponent of economic cooperation with the West. He has a long,
public record of support for such cooperation and
has frequently participated in talks on the subject with foreign representatives. Other reports
of opposition to alienating natural resources are

few and are related to lower level officials or to private citizens—not to the leadership. Signs of opposition to detente or enhanced economic relations with the West have not increased in recent months—despite the opportunity that cancellation of the US-Soviet trade agreement and Brezhnev's illness would seem to have afforded. This suggests that Brezhnev's position and foreign policy remain basically secure.

In regard to the long-term plan, it has not eclipsed the importance of the five year plan in Soviet thinking. Nor will the desires of the long term planners determine Moscow's foreign political and economic policy. (SECRET NO FOREIGN DISSEM/NO DISSEM ABROAD/BACKGROUND USE ONLY/CONTROLLED DISSEM)

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Phone: 143-7415

Soviets Digrupt Passover Services

The disruption by police of Passover services at Moscow synagogue on March 26 is seen 25X1C

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as a further warning that any activities even remotely connected with agitation for Jewish emigration will be dealt with severely.

the police in keeping Jews off sidewalks surrounding the synagogue contrasted sharply with the more moderate treatment in recent months of Jewish non-political, public activity. This was particularly true during the Simchas Torah services last October, when worshippers were allowed to dance in the streets. This week, the stern action of the police included several arrests on unknown charges.

25X1C add that the forthcoming trial of two young Jews recently arrested after a short-lived, pro-emigration demonstration in front of Moscow's Lenin Library—and perhaps the future trials of those arrested at the synagogue—could signal the start of a broader campaign of intimidation designed to discourage vocal advocates of emigration, as well as emigration itself. Several Jewish activists reportedly have been warned by the KGB and police against further demonstrations, and some were threatened with conscription. A few of them have left Moscow for other areas of the country, feeling a bad situation in the capital is turning worse.

These developments suggest that the regime is intensifying its effort to discourage Jewish emigration by multiplying red tape, publicizing allegedly poor economic and social conditions in Israel and the West, and harassing selected activists.

At the same time, gadflies whose cases have been widely publicized abroad, and whose pro-emigration organizational activities in the USSR are keeping the issue under the spotlight, are apparently being allowed to leave. The latest such case is that of Jewish geneticist Aleksandr Goldfarb, who has successfully goaded the authorities into granting him permission to emigrate to Israel. (CONFIDENTIAL)

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Phone: 143-7453

Soviets Turn to US for Shipping Technology

In an attempt to catch up with advanced Western shipping technologies, Moscow has turned to the US for assistance in constructing their first high-speed harge carriers. US developers of the "Seabee" barge carrier system have agreed to a licensing and royalty arrangement under which a Finnish shippard will build carriers for the USSR. Negotiations are under way for similar employment of US "LASH" (lighter-aboard ship) technology in ships to be built for the USSR in Poland. There had been much speculation in Western shipping circles as to which of the two systems the Soviets would adopt; it now appears that they will invest in both.

Like container ships, barge carriers are key elements of an intermodal transport system in which freight moves from shipper to consignee in modular units of standardized dimensions. The basic unit is a barge or lighter rather than a container. Fort turn-around time is minimized because operations consist only of dropping off the barges and taking on others pre-loaded with general or bulk cargo. Barges are moved to their final destinations by tugboats.

The full potential of these systems is best realized at seaports linked to major inland waterways. The USSR has such seaports in all four of its major sea basins (Black Sea, Baltic, Northern, and Far Eastern).

Barge carrier promoters also contend that these ships are especially useful in trade with developing countries where port facilities are primitive and railway and road systems inadequate for moving containers. Tentative Soviet plans envisage the use

of barge carriers on routes linking Soviet Baltic ports with Northern Europe and West Africa, Soviet Black Sea and Danube Delta ports with the Mediterranean and Cuba, and Soviet Far Eastern ports with Southeast Asia and the US.

Moscow plans a barge carrier line in US/Soviet trade but has assured US operators that it will not be in competition with US ships. (CONFIDENTIAL NO FOREIGN DISSEM)

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Phone: 143-7931

Pitfalls of 30th Anniversary Plans

Soviet plans for delebrating the 30th anniversary of the end of the "Great Fatherland War" reflect the interest of the leadership in achieving some flavor of Western participation, including that of the US. The effort to revive memories of the wartime alliance is, of course, a useful adjunct to Soviet detente policies, but it has some built-in perils. Two of these are how to deal with the war in the Pacific, and how to handle the role of allied air forces in Europa.

The focus of the "Great 30th" propaganda is on the war in Europe. Japan is cited as one of the powers defeated by the might of Soviet arms, but the conflict in the Pacific is almost completely ignored. For the Soviet domestic audience, this is the only practical approach, since the war against Germany was the whole war for the Soviet population and Soviet histories of the period blur over the very belated Soviet entry into the Pacific conflict. This narrow view of World War II will, however, be increasingly difficult to maintain for foreign audiences, as publicity increases in the build-up for May 9.

Even the war in the European theater presents some problems for the "hands-across-the-sea" effort. A recent article in Krasnaya Zvesda by two Soviet army colonels, for example, attempts to refute claims that the British and American bombing of Germany in World War II contributed significantly to the German defeat. The decisive factor, the authors emphasize, was the Soviet offensive from the east.

The article attacks the notion, allegedly being touted in the West, that the Anglo-American air strikes were the main means of destroying the German war production capability. The authors cite figures

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and quote the views of Western authorities to disprove this. They claim that initially only ship-building facilities and naval bases were targets of air attack, while factories producing tanks-- of special concern to the Soviets--were subjected to no air strikes at all. They also claim that, instead of striking at key targets such as air-craft production facilities, the Western allies concentrated their bombing efforts on air bases and airports. Many targets in Germany, they assert, were exempt from attack because their preservation was of interest to Western monopoly interests. As a result, German production of planes, tanks, and artillery continued to increase as late as 1944.

The authors also deny that the program of air raids took the place of a second front. Such a claim they say, is mere rationalization by the Western allies to justify their failure to honor a promise to open a second front in 1942.

Indeed, the authors assert that Western air attacks did not even draw the Luftwaffe away from the Eastern front. The Germans retained only their air defense units in the West, assigning the main part of the Luftwaffe, including its strike force of attack bombers, to the East. Even in the air war, the article asserts, the crucial battles took place on the German-Soviet front, and it was here that the greatest Nazi air losses occurred. (UNCLASSIFIED)

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Phone: 143-7415